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The Mammoth Channel Gold Mining Company

Located at Magalia, Butte County, California

Capital - - - - \$3,000,000

3,000,000 Shares, par value \$1.00 Each

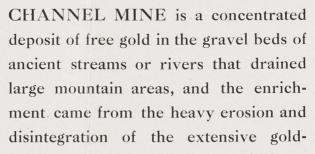
2,500,000 Shares in Treasury Fully Paid, Non-Assessable

GENERAL OFFICES 339 BUSH STREET, SAN FRANCISCO, CALIFORNIA

BRANCH OFFICE MAGALIA, BUTTE COUNTY, CALIFORNIA

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What Is a Channel Mine?



bearing quartz ledges of these high mountain ranges. **(**Where lava covered, as is the case in the Magalia and Mammoth Channels, these gravel beds are opened by shaft, or tunnel, or both, the gravel is extracted, hoisted to the surface and the gold separated from the same by sluicing as in hydraulic or placer mining. **(**The results of modern methods applied in channel mining of late years have proven this the safest and most profitable of mining enterprises.

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Facts Concerning the Mammoth Channel Gold Mining Company

The Mammoth Channel Gold Mining property is situated at Magalia, in Butte County, California, about 15 miles northeast of Chico and about 24 miles north of Oroville, on the line of the Butte County Railroad, which connects with the Southern Pacific at Chico, giving daily mail and railroad service. The distance from San Francisco to the mine by rail is 200 miles. Telegraph and telephone service is also available at Magalia.

Millions Mined

The "Magalia Mine" holdings on the Magalia Channel, directly adjoining the property of the Mammoth Channel Gold Mining Company on the north, attracted the attention of some of the biggest mining men in the West, notably, Flood of the famous Comstock Mines, J. B. Haggin, Dan'l M. Burns, N. D. Rideout and others. That the channels are rich is not a matter of surmise or speculation. It is a known fact because portions of the Magalia Channel and its tributaries have been extensively mined and the richness of the Mammoth Channel is certain. Millions have been taken out in the vicinity of Oroville, and the mines being worked in the mountains of Butte County are great producers.

Back of Magalia, in the mountains above the Mammoth Channel, during the past year, a great deal of mineral ground has been bonded; it being claimed that the "Mother Lode" of the section has been found.

In the "80s" a number of capitalists and mining men sought to acquire the holdings of the "Magalia Mine" working the Magalia Channel, directly adjoining the property of The Mammoth Channel Gold Mining Company on the north and containing 2,700 acres, and including the renowned "Pershbaker" Mine. The men who believed it to be very valuable and desired its possession, were the then Governor of California H. H. Markham; Henry T. Scott, President of the Union Iron Works; Dan'l M. Burns, of the famous Candelaria Mine; Irwin G. Stump, Manager of the Estate of the late Senator Hearst; Arthur W. Foster, President of the S. F. & N. P. Railway; James L. Flood, capitalist, of the Comstock Mines, and T. B. Bishop of the law firm of Garber, Boalt & Bishop.

Mining on Magalia Channel

The Magalia Channel and its tributaries, as will be seen by the statements of those who worked them, are very rich. It was worked down to within about 1,000 feet of the line of the Mammoth Channel Gold Mining Company. They were pumping water up the channel by a system of relays about 5000 feet and then raising it to the surface 535 feet. It became necessary to sink a new shaft and obtain a drainage tunnel location. An offer was made to the then owners of the ground, now possessed by the Mammoth Channel Gold Mining Company. This offer was refused, and not being able to obtain it, Haggin, Rideout, and their associates discontinued their operations, as the short distance they had to work on their own ground would not justify the sinking of a new shaft. The channel was getting richer as it approached the Mammoth Channel into which it emptied.

Owing to differences between the owners, the holdings of the Mammoth Channel Gold Mining Company could not then be consolidated, and for fifteen years nothing was done, as no individual owner could mine his property without a drainage tunnel location, and the property could only be successfully developed in its entirety and in this manner. The consolidation of the several interests was finally effected by the incorporation of the Mammoth Channel Gold Mining Company, and the profitable development of all holdings on these channels made possible thereby.

Estimated Production

In the Magalia Mine the yield was as high as \$49.38 per ton, and in the mines of this locality \$30 per ton is regarded as a fair average.

Less than one-third of this production will give The Mammoth Channel Gold Mining Company an output of at least \$200,000 per month, or \$2,400,00 per year, enabling it to pay large monthly dividends for at least twenty years.

The machinery to be installed will be complete, modern and very powerful, with the capacity of 1,000 tons every twenty-four hours.

The shaft will contain three compartments,—two for hoisting, and the third compartment for air pipes, etc.

Large Subscriptions for Stock Near Mine

It is believed that the stock will be worth at least \$5.00 per share within two years, and should be \$15.00 to \$20.00 per share within five years. In one day about 40,000 shares were subscribed for over the telephone in Oroville, Chico and Magalia alone. These towns are near the mine and those who know the property best have the greatest confidence in its value.

A High Class Investment

The stock should be purchased and put aside as an investment.

A careful perusal of this prospectus should convince investors that this stock is *a high-class investment*. It is because of the facts given here that we unhesitatingly say and confidently believe that a few hundred invested now will insure large returns in dividends and heavy advances on the principal sum invested.

A Big Clean-up

"You know one of those large vegetable dishes, 14 inches long by 6 inches deep, which they put on the table for the miners, well, I saw from one clean-up on the Pershbaker Mine one of those dishes chuck full of nuggets. M. GOODAY, Magalia.

\$34,000 from 20x80 Feet of Magalia Channel

"I was able to work but four months and took out 1,745 ounces of gold, valued at about \$34,000.00, the channel being about 20 feet wide; and I worked it a distance of less than 80 feet. In one day I took out \$4,500.00, including one piece weighing 160 ounces. On one occasion I picked up about 100 pieces of gold weighing 76 ounces from a space not a yard square and within fifteen minutes of time." F. H. RUSSELL, Supt. Magalia Mine Aug. '80-Sept. '81.

(See statement, page 18.)

A Very Rich Section

Los Angeles, Cal., August 15, 1907.

Mr. E. R. Argersinger, General Manager, The Mammoth Channel Gold Mining Co.

Dear Sir: Your favor of the 12th inst. is at hand, and in reply will say that it affords me pleasure to answer your inquiries.

I am very familiar with the Mammoth Channel and the Magalia Channel and the locality about the Town of Magalia, and will say that it is a very rich gold-bearing locality. Geologically speaking, the location of these channels is just right to be rich for the reason that directly above these channels exists a mineral zone miles wide. This zone consists of porphyry dikes, quartz ledges, quartz stringers, auriferous slates, etc., which run in parallel belts through the country, and these are heavily mineralized with gold alone. The gold found in these channels came from this great zone. Frost, heat, rain and storms wore this zone down and set free the gold, and this action went on for perhaps thousands and thousands of years, and as a result great quantities of gold were carried down by the water into these channels and worked its way down into the gravel and there it remains today.

This process would be going on today but for the great eruptions which took place and which threw a sheet of lava over the locality, burying everything several hundred feet.

You ask how do I know the gold is in these channels?—because I can take you into the Magalia Channel, and you can see it for yourself. I can take you into the Emma mine, Kohl mine, Oro-Fino mine, Weed mine, Douglas mine, Steiffer mine, and others there, and you can not but believe your own eyes and the evidence everywhere existing of the tremendous richness of this country.

You ask a good many questions in your letter, and I will simply say to you that you can get a great deal of information directly by writing to the Banks of Chico, Marysville, and Oroville and to Levi Cohn at Magalia,—or better still, you can become very well informed by going into that country and talking with the men who have worked in these mines for the past twenty years.

If you will go to San Francisco and visit the State Mining Bureau in the Ferry Building, you will there see a facsimile of the big lump of gold taken out near Magalia —a lump as big as your hat, weighing fifty-four pounds, if my memory is right.

In my opinion the property of the Mammoth Channel Gold Mining Company is the best mine of its kind in existence, and if honestly managed there is nothing to prevent the stock of this Company going to ten dollars per share within two years from now. I believe that it will be a great winner and I know that it is the largest and richest property in one holding there is anywhere. With kindest regards,

> Very sincerely yours, G. C. KIRBY.

Old Miners Declare Channels Immensely Rich

Magalia, Cal., July 31, 1907.

Mr. E. R. Argersinger, General Manager, The Mammoth Channel Gold Mining Company.

Dear Sir: Your inquiry regarding the Mammoth Channel at hand and noted.

The Mammoth Channel is one of the biggest propositions in the State and a sure winner.

It is the main drain of this country and all channels discovered and worked dumped into the Big (Mammoth) Channel, as we call it.

The Mammoth Channel can be traced and followed for miles and miles through this county and into Plumas county.

All the old miners in this section of the country claim it should be one of the richest channels in the State from the mineral belt it cuts. The west branch of Feather River, Little Butte Creek, Carl Gulch and Middle Butte Creek were immensely rich, all cutting the same belt.

I predict for your Company a grand success.

I have been in business in Magalia, within two miles of your property, ever since 1882, and am well acquainted with the same, and know its value. Should you wish to refer parties to me you may do so. Yours very truly,

L. Cohn & Company, Dealers in General

L. COHN.

Merchandise. Resident of Magalia since boyhood.

Gold Is of a Very Coarse Nature

"The gold is of a very coarse nature, varying in size from small nuggets to large nuggets, weighing from 20 to 24 ounces. So coarse was the gold that about 90 per cent of it remained in the flat headbox into which the dumping was done, and when I came to clean-up would lie exposed to view and was picked out by hand.

"Once while removing a post resting on top of bedrock, I noticed a small crevice underlying the spot on which the post had stood, and from that crevice I pried \$125 worth of gold, which incident I mention as fairly illustrative of the richness of the channel." M. T. HUBBARD,

> Superintendent Magalia Mine. (See sworn statement, page 16.)

Ten Thousand Dollars in One Crevice

Magalia, Cal., Sept. 30, 1907.

I worked in the Pershbaker and Magalia Mines in all about twelve years. Part of the time as foreman, and part of the time as shift boss. I attended to the clean-ups, which were made twice a day—because of the richness of the ground. Most of the clean-ups would run as high as \$1000 and over. I remember once I lifted a rock about the size of a small plate. It was the prettiest sight I ever saw. Like a hen's nest. One piece was worth about \$500. In all there was about \$1200.

Frequently we would find crevices immensely rich, and I would take it out in handfuls and put it in a pan and wash it. In some of the crevices it was very rich. We would take out as much as \$10,000 at a time.

I remember one crevice running almost with the channel. It was 15 feet long, 3 feet wide at the top and 15 feet deep. There was a foot layer of sand and then a layer of gold clear to the bottom. I have no idea how much was taken out of that crevice, but it was a very large amount.

The Magalia Channel, as long as I worked in it, was rich like the Pershbaker and Birch and Barrett Mines.

The Magalia Channel empties into the Mammoth Channel. There is no doubt about it. The Big Channel ought to be tremendously rich, because the tributary channels were so rich and all emptied into it.

H. H. WILLIAMS,

Foreman in Pershbaker and Magalia Mines.

Mammoth Channel Can't Help Being Rich

"The Mammoth Channel is the oldest and biggest Channel in the State, and cuts the mineral belt for 12 miles from Perry's Mine to Big Butte Creek, and can't help being immensely rich."

> J. W. ELLIS, Magalia, Butte County. Oldest quartz miner in Plumas County.

\$7,200 Picked Up In Two Hours

"Assisted by Joe Ferrin, I once picked up by hand, within an area of four feet square, \$7,200.00 in gold from the bedrock in two hours' time; at another time I picked up more than \$7,000 of gold from the bedrock during one night. Nuggets weighing from \$100.00 to \$500.00 were common finds along the channel."

JOHN BARRETT, Part owner "Birch & Barrett Tunnel." (See affidavit, page 15)

Gravel Fabulously Rich

"The gravel is very rich from top to bottom and the immediate bedrock and *lower two feet of gravel is almost fabulously rich*. When the pump broke and the men were driven back by the water, the wash and splash of the water against the gravel face, exposed to view, strung all along the bedrock a stringer of free gold, which the men were about to gather up and send out." SAMUEL McCLELLAN,

> Receiver of Court, In Gregory vs. Pershbaker et al. (See sworn statement, page 16.)



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The Mammoth Channel Gold Mine

Declared by mining engineers to be one of the Largest Channel Mines in the United States and the Richest in the World. They also estimate that its property approximately contains Five Million Six Hundred Thousand Square Feet of Very Rich Bed Rock. Its properties consist of 1,580 Acres through which runs the famous Mammoth Channel for about 8,800 feet and the noted Magalia Channel for about 5,600 feet.

Capital Stock

Capital \$3,000,000—3,000,000 shares, par value of one dollar each; 2,500,000 shares treasury stock; 500,000 shares issued for the property, and pooled for one, two, three and four years,—this arrangement indicating the confidence of the owners in the ultimate success of the Company. Organized under the laws of the State of Nevada. Stock fully paid and non-assessable.

Rarely, if ever, has a corporation of this magnitude been organized without the issuance of a single share of promotion stock. The fact that the financing and development of this mine has been taken up by the management in this manner should be convincing evidence of their absolute faith in its productiveness and steady profits for a period covering fifteen to twenty years.

Property Owned In Fee

The property of The Mammoth Channel Gold Mining Company embraces a tract of 1580 acres, and title is fully vested in the Company.

Through this property for a distance of 8,800 feet runs the famous "Mammoth" Channel, a buried large river, and for a distance of 5,600 feet runs the noted "Magalia" Channel, also a buried river not so large, a tributary, crossing the property and emptying into the "Mammoth" Channel.

History of the Locality and Manner of Enrichment

Upon the first discovery of gold in California, the locality in which this property is situated was known throughout the Coast as the Northern Mines.

The beds and banks of all the streams were yellow with the precious metal, and the product of these few square miles has probably never been equaled.

It was soon found that the "Depositories" of all this wealth were the beds of ancient rivers traversing the mountain ranges far beneath the present surface, whose channels had been formed and stored with gold in a prehistoric age. The later mountain streams, cutting deep into the face of the country, wore away parts of these ancient channels, and scattered the gold contents along the present river beds and banks.

The Mammoth and Magalia Channels were enriched from the same source as the present Feather river, which has produced millions since "49" for those who mined it, and millions more for those who in the past few years have operated dredgers at Oroville.

These waterways had performed their functions away back in the dawn of time, when the valleys were either deep fissures or the mountain ranges much more elevated than now; and in their beds were deposited the coarser and heavier gold, supplied by the complete disintegration of the mountain tops and quartz veins perhaps for thousands of feet in depth. This was followed by a volcanic period, when a lava stream flowed over the whole surface of the vicinity, locking in most securely the metallic deposits until opened once more by the cutting action of the present river system. The ravines, creeks and larger streams of the present day in this locality, mined since 1850, proved exceedingly rich.

Description of the Mammoth Channel

The Mammoth Channel was an ancient river; a very large one, and it is now buried under several hundred feet of lava, the surface being covered with pine timber of great value in mining. The channel of the old river, from rim to rim, is over two thousand feet wide, and these rims can be plainly seen. Lying within these rims or banks of the ancient river is the deep part of the channel containing the gold-bearing gravel. This gravel in the Mammoth Channel is estimated to be from four hundred to six hundred feet wide, and from twenty to forty feet in depth.

It is declared that this section of the Mammoth Channel contains the richest gold-bearing gravel in the world so far as known, under one ownership, being eight thousand eight hundred feet long; at least four hundred feet wide, and twenty to forty feet deep. This main or Mammoth Channel is expected to prove far richer than the channels emptying into it, because from these tributary channels the gold was for ages deposited in it by the smaller and swifter streams.

Description of the Magalia Channel

This Channel is a smaller stream than the Mammoth Channel, and empties into it. It also is buried under the same lava flow, has the same depth of lava over it as the Big Channel, and the surface is covered with a forest of pine timber.

The Channel of this stream from bank to bank, or rim to rim, is about eight hundred feet wide, and lying between these rims or banks is the deep part of the Channel containing gold-bearing gravel.

This known rich gravel deposit varies in width from forty to one hundred feet as it approaches the place where it empties into the Mammoth Channel and is from eight to fifteen feet in depth. The Company owns on this channel a body of gold-bearing gravel five thousand six hundred feet long, having an estimated width of at least eighty feet, and a depth of at least eight feet.

About four thousand seven hundred feet of the Magalia Channel have been mined. This was done under the direction of Mr. J. B. Haggin of New York, and the late N. D. Rideout, the well-known California banker. The mine was called the "Magalia Mine," and was exceedingly rich, as will be seen by the statements following of those who worked the ground. The Mammoth Channel Gold Mining Company's holdings on the Magalia Channel, directly adjoin the lower end of the "Magalia Mine." (See map.)

Above the "Magalia Mine" is the "Steifer Mine" which is now being actively worked, and is evidently very rich ground. Running into the Magalia Channel from the east is a small creek or feeder. This was the famous "Pershbaker Mine," known as one of the richest discoveries ever made in the west.

Other Near-by Mines

There are a number of well-known mines in the immediate vicinity, all of which have paid or are paying well. All of them were buried channels.

The Indian Springs Mine produced heavily.

The Oro-Fino and The Black Leg Mine were large producers.

The Kohl Mine is now working and is a good producer.

The Emma Mine is also working; is a noted mine; has produced hundreds of thousands of dollars. It is owned by a number of sea captains of San Francisco.

The Big Butte Drift Placer Mine, owned by H. L. Weed and others, is now working. It is a very large channel and very rich. The last gravel taken out of that part of the channel now being worked paid \$25.00 per carload of 1400 pounds of gravel, or at the rate of \$35.00 per ton.

The Steifer Mine is in operation; is a part of the Magalia Channel, and is reputed to be very rich.

The Magalia Mine, The Pershbaker Mine, and The Birch & Barrett Mine produced millions.

Operation and Equipment

The opening of this mine is progressing steadily and economically under competent management, and consists of a drainage tunnel 5x7 feet in the clear, and a threecompartment shaft $4\frac{1}{2}x14$ feet in the clear. See profile map, page 19.

The Company will mill its own lumber and timber, of which there is an ample supply for all needs during the life of the mine.

Richness of Adjoining Ground

From Affidavit of John Barrett

(Part Owner of the "Birch and Barrett" Tunnel, Afterwards the "Magalia Tunnel," Referring to Development Work in the "Magalia" Tunnel and Claim)

"The channel for the 200 feet mentioned had an average width of forty or fifty feet, and we took out over \$225,000.00, yielding about \$25.00 to the square foot of bedrock worked. We worked 250 feet further down; the average width of the channel was about forty feet, and its average yield was about \$24.00 per square foot bedrock, or \$240,000.00 in all. The richness of the mine may be illustrated by the following incident: 'Assisted by Joe Ferrin, I once picked up by hand, within an area of four feet square, \$7,200.00 in gold from the bedrock in two hours' time; at another time I picked up more than \$7,000.00 of gold from the bedrock during one night.' And I have known of large quantities taken out by other persons in large nuggets, picked from the crevices in the bedrock within equal areas. I once saw a nugget from this mine which weighed \$1,000.00; and nuggets weighing from \$100.00 to \$500.00 were common finds along the channel. I have no doubt whatever that the main channel will prove richer than the feeder I worked so long."

Sworn Statement of Samuel McClellan

"I was appointed Receiver of Court in the suit of Gregory et al vs. Pershbaker and the Magalia Gold Mining Company, and as such officer took possession of the 'Birch & Barrett' or 'Magalia Channel' and mining works, and on the 20th day of February, 1886, assumed actual personal management and superintendence of the mining operations.

"The machinery and mining apparatus at the time were unsuitable and insufficient for the purposes when in good condition, and at the time I took charge it had become so worn with use that it was only by the most careful management that I could keep it together, and the pumps in operation. * * * We were at the face, in all, but eleven days, during which two ten-hour shifts were working, taking out from sixteen to twenty-four carloads of gravel to the shift, from which I turned into court as receiver 6,217.00. * * The gravel is very rich from top to bottom and the immediate bedrock and lower two feet of gravel is almost fabulously rich, the gold varying from small particles to nuggets weighing four ounces. When the pump broke and the men were driven back by the water, the wash and splash of the water against the gravel face exposed to view, strung all along the bedrock a stringer of free gold, which the men were about to gather up and send out. * * The 6,217.00 worth of gold I took out was all taken out at the face and in working the channel down straight from five to seven feet. This channel was about twenty-five feet wide at this point."

Sworn Statement of M. T. Hubbard

"Throughout the time I ran the mine the machinery was of inferior nature, and at the time I assumed management, it was in very bad condition, the pumping power was supplied by the water-wheel, and the pumping was done with $1\frac{1}{2}$ -inch rods, extending down incline. * * * The gold was found in crevices in the bedrock. The gold is of a very coarse nature, varying in size from small nuggets to large nuggets, weighing from 20 to 24 ounces. In working the mine, I took up about two feet of the bedrock as we went along the incline, which was carried out and washed in sluice boxes, the head or first of the sluice boxes, the one into which the dirt and bedrock was dumped for washing was set on a level, and the others beyond were set at the usual incline with riffles to catch the gold. So coarse was the gold that about ninety per cent of it remained in the flat headbox into which the dumping was done, and when I came to clean up would lie exposed to view and was picked out by hand.

"From my experience with the mine it was then, and still is, my opinion that the gravel and other disintegrated matter, was washed by the water down this little channel which I was working into a 'Main Channel' (Magalia Channel) of which it was but a feeder, and that the larger and rounder chunks of gold, washing immediately along the surface of the bedrock, dropped into the crevices where we found them.

"At the point to which the face of the incline had reached, when I commenced to mine, bedrock was hard and smooth, and pitching steep, but as I went down with the incline it improved gradually for a while, when it improved decidedly until the time I quit. The last week I worked there I took out somewhat over \$4,500.00 in gold, and I left as good in sight as I had just worked. I held the position of superintendent for about seven months, though I was engaged in actual mining but six months of that time, during which time I took out in round numbers \$54,000.00 in gold.

"With the facilities at hand but eight carloads of dirt could be taken out per day and the amount of gold mentioned all came from that quantity of dirt, excepting the lumps and nuggets which were picked up along the incline, and carried out by hand. Once, while removing a post resting on top of the bedrock, I noticed a small crevice underlying the spot on which the post had stood, and from that crevice I pried \$125.00 worth of gold, which incident I mention as fairly illustrative of the richness of the channel. The 'Magalia Channel' had not been reached when I quit working the mine, nor have I been in it since this channel was reached, but while working there I was always hoping that we might break into the 'Magalia Channel' beyond, which I always expected to find, just as I have been informed it proved to be, running at a right angle to the general course of the feeder which I worked, and filled with gravel and the wash from this and various other tributary channels above and below. The steep pitch and smooth surface of the bedrock, the narrowness of the channel or gorge, the absence of gravel, the appearance of great current wash presented by the surface of the bedrock, the round form and large size of nearly all the gold found, with the fact that this gold was found in the crevices only, indicated conclusively to my mind, that the gold carried on by the strong current, and which could not lodge, would make the 'Magalia Channel' far richer than the tributary channel I had worked."

Statement of F. H. Russell

"I acted as Superintendent of the Magalia Mine for thirteen months from August, 1880, to September, 1881, during which time, owing to defective machinery, I was able to work but four months and took out 1,745 ounces of gold, valued at about \$34,-000.00, the channel being about 20 feet wide; and I worked it a distance of less than 80 feet. In one day I took out \$4,500.00 including one piece weighing 160 ounces. On one occasion I picked up about 100 pieces of gold weighing 76 ounces from a space not a yard square and within fifteen minutes of time."

The Sale of Stock

The demand for The Mammoth Channel Gold Mining Company stock is heavy, and one of the best evidences of its merit and value, is the purchase of over 200,000 shares in the vicinity of the mine.

For stock or further information, address General Office or any Authorized Representative.



